

SIMPSON THACHER & BARTLETT LLP

425 LEXINGTON AVENUE
 NEW YORK, N.Y. 10017-3954
 (212) 455-2000

FACSIMILE (212) 455-2502

DIRECT DIAL NUMBER

212-455-2519

E-MAIL ADDRESS

pcurnin@stblaw.com

February 15, 2008

The Honorable Charles L. Brieant
 United States District Judge
 United States Courthouse
 300 Quarropas Street, Room 275
 White Plains, New York 10601

Dear Judge Brieant:

*Plaintiff's letter
 ITT Corp. (2/14/08)*

On behalf of ITT Corp., I write in response to Mr. Harwood's letter of February 14, 2008, concerning settlement discussions.

Plaintiffs' letter is misleading. Plaintiffs have made a "demand" within the director and officer policy limits, but those limits, which we disclosed to plaintiffs, substantially exceed the fine ITT paid to settle the underlying action. Thus, making a demand "within limits" is not equivalent to making a reasonable demand. In addition, it is false to say that Defendants have not responded to plaintiffs' demand. I have had at least two conversations directly with Mr. Harwood responding to his demand, including proposing an alternative way of proceeding toward a potential resolution. Mr. Harwood rejected our proposal. Mr. Harwood may not have liked what he heard, but it is completely inaccurate to say that we did not respond.

Accordingly, ITT respectfully requests that Your Honor proceed with the pending motion to dismiss, which we urge be granted with prejudice given that complaint has already been amended once.

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Robert E. Harwood

Very truly yours,

Paul C. Curnin